

ABSTRACT

Climate change has generated an urgent need for green financing, while Indonesia's state budget (APBN) is estimated to cover only approximately 34% of the country's total climate financing requirements through 2030. Sovereign Green Sukuk has emerged as a Sharia-compliant green financing instrument that exclusively allocates funds to eligible green projects. Despite accumulated issuances reaching IDR 185 trillion by 2024, empirical studies quantifying its aggregate macroeconomic impact at the national level remain limited. This study aims to analyze inter-sectoral linkages, the Power of Dispersion Index, and to quantify the multiplier effects and economic impact of Sovereign Green Sukuk investment on the Indonesian economy using the Input-Output Analysis approach. The data used consist of Indonesia's 2020 Domestic Transaction Input-Output Table at Basic Prices (185 sectors) published by Statistics Indonesia (BPS), which was aggregated into 21 sectors, and the 2024 Sovereign Green Sukuk project realization data amounting to IDR 9.983 trillion obtained from the Directorate General of Budget Financing and Risk Management (DJPPR), Ministry of Finance. The projects were mapped into the Agricultural Infrastructure Sector and the Other Buildings Sector based on the Indonesian Standard Classification of Commodities (KBKI). The results show that the Agricultural Infrastructure Sector and the Other Buildings Sector exhibit stronger backward linkages than forward linkages. Both sectors also have a high Power of Dispersion Index, indicating their ability to stimulate production activities in supporting input sectors. In addition, both sectors have higher output multipliers than household income and employment multipliers. The simulation of Sovereign Green Sukuk investment generates an increase in total output of IDR 17.992 trillion, household income of IDR 3.195 trillion, and the creation of 64,757 jobs.

Keywords: *Green Sukuk, Input-Output Analysis, Multiplier Effect, Inter-Sectoral Linkages, Indonesian Economy*